



# **CITY OF HAYWARD**

## **AGENDA REPORT**

AGENDA DATE 01/17/06

AGENDA ITEM 2

WORK SESSION ITEM \_\_\_\_\_

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT:** Water Main Retrofit at Hayward Fault Crossings on Walpert Street and Palisade Street – Authorization to Increase Administrative Change Order Amount and Appropriation of Funds

### **RECOMMENDATION:**

It is recommended that the City Council approve the attached resolution increasing the Administrative Change Order amount by \$124,000 in the contract with W. R. Forde Associates and appropriating this amount from the Water System Replacement Fund.

### **BACKGROUND:**

This project is part of the seismic improvement project initiated in September 2002 to improve the reliability of the City's major water and sewer pipelines. On July 5, 2005, the City Council authorized execution of an agreement with W.R. Forde Associates in the amount of \$987,998 for the subject project. Subsequent to award of the contract, it was determined that the interior lining of the steel pipe was not included in the engineer's plan and, hence, not included in the contractor's bid for installing the new thicker pipe. Interior lining is necessary both to avoid the accumulation of corrosion and extend the life of the pipe. Steps have been instituted to assure that this kind of omission does not occur in the future.

Staff has been working with the contractor to include the needed pipe lining in the project. An initial cost proposal of over \$150,000 was submitted and deemed to be unacceptable. After research and negotiation with the contractor, an acceptable proposal for approximately \$123,675 was submitted and is recommended to be approved.

The original Administrative Change Order amount of \$100,000 included in the contractor's bid is reserved for construction contingencies and is not enough to pay for the known additional work. Although none of this amount has been utilized yet, the contract work has just started and may be required for other changes. For example, although it is early in the project, several previously unknown field conditions have come to light, including a PG&E gas service line and sewer service line that must be relocated. It is, therefore, recommended that the Administrative Change Order amount be increased by \$124,000 to \$224,000.

**PROJECT COSTS:**

Engineering Study	\$ 139,000
Phase I Construction (In-house)	251,000
Design (In-house)	40,000
Phase II Contract Construction	988,000
Inspection and Administration	80,000
ACO for pipe lining (This Action)	<u>124,000</u>
 TOTAL	 \$ 1,622,000

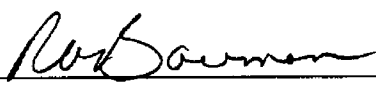
**FUNDING:**

The 2005/06 Capital Improvement Program Budget includes a total of \$1,300,000 for this project in the Water System Replacement Fund. During July 2005, in order to award the contract, Council approved an appropriation of \$198,000, because all bids exceeded estimates. An additional appropriation of \$124,000 is necessary, at this time, to approve the requested change order. Sufficient monies are available within the Water System Replacement Fund to cover this appropriation.

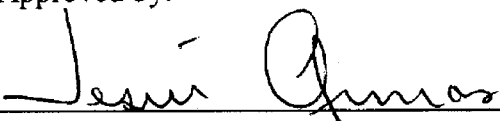
Prepared by:

  
\_\_\_\_\_  
Alex Ameri, Deputy Director of Public Works

Recommended by:

  
\_\_\_\_\_  
Robert Bauman, Director of Public Works

Approved by:

  
\_\_\_\_\_  
Jesús Armas, City Manager

**DRAFT**

**HAYWARD CITY COUNCIL**

**RESOLUTION NO. \_\_\_\_\_**

**Introduced by Council Member \_\_\_\_\_**

**RESOLUTION AUTHORIZING AN INCREASE  
IN THE ADMINISTRATIVE CHANGE ORDER AMOUNT  
AND AMENDING RESOLUTION 05-080, AS AMENDED,  
THE BUDGET RESOLUTION FOR CAPITAL PROJECTS  
FOR FISCAL YEAR 2005-2006, RELATING TO AN  
APPROPRIATION OF FUNDS FOR THE WATER MAIN  
RETROFIT AT HAYWARD FAULT CROSSINGS PROJECT,  
PROJECT NO. 7164**

WHEREAS, on July 5, 2005, the City Council awarded the construction contract for the Water Main Retrofit at Hayward Fault Crossings on Walpert Street and Palisade Street Project, Project No. 7164, to W.R. Forde Associates, in the amount of \$987,998 including authority for \$100,000 in administrative change orders; and

WHEREAS, interior lining of the steel pipe, was not included in the engineer's plan and hence not included in the contractor's bid, requiring approval of \$123,675 change order and an appropriation of \$124,000 to compensate for any additional expenses.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby authorizes an increase in the Administrative Change Order amount by \$124,000 to a total of \$224,000 to cover added costs for pipe lining in the contract with W.R. Forde Associates.

BE IT FURTHER RESOLVED, by the City Council of the City of Hayward that Resolution No. 05-080, as amended, the Budget Resolution for Capital Projects for fiscal year 2005-2006, is hereby further amended by appropriating an additional \$124,000 from the Water System Replacement Fund, Fund 623, for the Water Main Retrofit at Hayward Fault Crossings, on Walpert Street and Palisade Street Project, Project No. 7164

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2006

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward